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COSTA RICA

VESCO SAID TO HAVE BOUGHT GULF; FIGUERES SAYS TALK WITH INVESTOR ROUTINE

Vesco Buys Gulf, Cari Stock

[Article; San Jose, La Republica, Spanish, 23 March 1973, pp 1, 23]

Robert Vesco, an investor, has acquired the stock of Gulf Costa Rica, S.A., and the major national petroleum company, Cari, S.A., owner of the Gasotica gasoline distribution centers, thus assuring himself of a part of the national fuel market.

According to authoritative information gathered by La Republica, a high official in a government ministry had a share in closing the negotiations.

A report in our possession indicates that Mr Vesco first invested in Cari. S.A., and then closed the deal with Gulf.

Gulf of Costa Rica, S.A., was on the point of being purchased by DEPESA [expansion unknown], another national enterprise in which Jorge Gonzalez Marten has an interest. DEPESA's bid was higher than the first made by Vesco. But within a few hours the representatives of the American investor reconsidered the situation, made a bid substantially higher than that tendered by DEPESA and acquired all the Gulf stock.

This report supplements the one published by us yesterday, according to which Victor M. Quiros Sasso, one of the shareholders of Cari, S.A., was the purchaser of the Gulf stock. Gulf gave this report directly to the press in writing, with the notice that they would entertain no questions in connection with the matter.

For his part, Quiros Sasso stated the Cari was not for sale and that the rumors to the effect that Vesco had bought it were false. The purchase was also denied by Vesco's representative, Espinoza. However, inasmuch as the first reports with regard to this transaction reached us some 10 days ago, at which time we also consulted the parties involved

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about the matter, but without positive results, when we learned that the sale of Gulf had taken place, we went back to our sources of information and it was confirmed that the actual investor is Robert Vesco. With these words of qualification we are publishing the report with confidence in the reliability of the individuals who passed it on to us.

Gulf...

Gulf Costa Rica, S.A., sold its trucks, service stations, general equipment and its installations to Cari, S.A. It did not sell the contract signed with the government. This is what was stated by persons familiar with the situation, whom we consulted in connection with the report in circulation, it being understood that the Legislative Assembly is going to analyze the operation involved in the sale of the aforementioned company, since one of the clauses of the contract provides that it must be approved by the Assembly before it becomes valid.

Cari, S.A., has its own contract with the government and therefore had no need to purchase such a contract from Gulf. This contract had at no time been approved by the Legislative Assembly, since the executive branch did not send it to that eminent body for that purpose.

Figueres Says Vesco's Visit Not Unusual

Excerpt from article; San Jose, La Republica, Spanish, 23 March 1973,
p 17

Jose Figueres, President of the Republic, said that Robert Vesco came to see him, like any other investor, to discuss financial districts and not concretely the one reported here, which had not been approved by the government.

Mr Figueres made this statement in reply to a question asked by a reporter from La Republica with regard to an AP report according to which the lawyer, Howard F. Cerny, declared before a federal court in New York that Vesco and Figueres, at Figueres' home, discussed in general terms Vesco's plans to establish an "international financial district" to handle foreign investments in Costa Rica.

"Both Vesco and several other investors come here and suggest plans and changes in connection with investments. It is difficult to convince them that our laws guarantee investments. The man who makes that statement is right. Vesco and others suggest changes, but they can get along with our legislation."

Figueres made the above statement yesterday at his weekly press conference, which, on this occasion, met in the Espartacus wheel-barrow and bucket factory in Zapote, owned by Marco Tulio Bermudez.

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Confusion

The same cable said that Minister Gonzalo Facio, a lawyer, had been appointed as Vesco's attorney in Costa Rica in the matter of the mutual funds.

In this connection, the president explained that Facio, as the Minister of Foreign Relations and an international lawyer, is always present at meetings of this kind, but that when he is a member of the government, he does not engage in private practice.

The president explained that the confusion arose from the fact that the members of Facio's law firm gave some legal counsel to Vesco, but later discontinued this activity.

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